

AMENDMENT TO THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY
OF LONG BEACH AND
THE INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE
WORKERS

The City of Long Beach and the International Association of Machinists and Aerospace Workers (IAM) agree to amend the October 1, 2007 to September 30, 2012 Memorandum of Understanding as follows:

The labor agreement will be extended by one year, to expire on September 30, 2013. All existing terms and conditions set forth in that agreement shall remain unchanged for the term of the extended agreement, except as modified below.

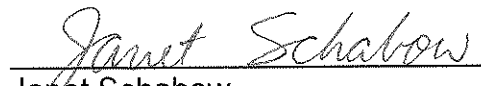
1. Due to the current economic situation, the IAM agrees to defer the October 1, 2009 general salary and equity adjustments to October 1, 2010, and agrees to extend all other salary and equity adjustments in the MOU by one year as reflected in the revised attached Article Two Section IB and IC and Appendix D regarding the Classification and Compensation Study.
2. In consideration of the IAM's willingness to help address the City's financial challenges by agreeing to the deferral of the general salary and equity adjustments, the City will not unilaterally impose furloughs during Fiscal Year 2010 except as provided below.

If the City determines that furloughs will be necessary the City will provide notice in writing to the IAM and the parties will meet for up to 30 calendar days to discuss alternatives to mandatory furloughs. If, following this discussion acceptable solutions to mitigate the need for furloughs have not been agreed to, management will provide notice and begin the furlough process. At that time the City will also reinstate the FY 10 general salary and equity adjustment as provided in the MOU effective upon implementation of the furlough. Future salary and equity adjustments will be moved forward one year from the furlough implementation date. Non-careers and permanent, part-time employees working an average of thirty (30) hours per week or less will be exempt from the furlough. Both parties preserve their legal rights to pursue a judgment regarding the Management right to furlough.

In witness thereof, the parties hereto have caused this Amendment to the Memorandum of Understanding to be executed this 20th day of NOVEMBER, 2009.

FOR THE LONG BEACH CITY EMPLOYEES LOCAL LODGE 1930, DISTRICT
LODGE 947, INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE
WORKERS – AFL-CIO:


Ray Rivera, Grand Lodge Representative
Western Territory


Janet Schabow
BR, IAMAW DL947

ARTICLE TWO
SALARIES AND COMPENSATION

Section I – Classifications – Pay Rates – Salary Increases

B. General Salary Increase

1. Salary Ranges

The Salary Resolution will be amended to provide for the following salary increases for all represented employees included in Section 1.A above on the effective dates indicated:

10/01/2007 – 1%

04/01/2008 – 2%

10/01/2008 – 3%

10/01/2010 – 2%

10/01/2011 – 2%

10/01/2012 – 2%

2. The provisions of Article Two, Section I.B.1 shall not be subject to Article Seven, Grievance Procedures, of the MOU.

C. Additional Compensation

1. Classification and Compensation Study

The City and the Union agree to conduct and implement a classification and compensation study as a component of the compensation adjustments for Union represented employees over the life of the current agreement. The goal of the study is to:

- a. Review the current IAM classification specifications/descriptions and pay structure and propose revisions that provide fair and rational internal and external relationships.
- b. Identify the median pay of those same classifications within ten agreed upon comparable organizations, including Anaheim, Glendale, Huntington Beach, Los Angeles City, Los Angeles County, Orange County, Pasadena, Santa Ana, Santa Monica and Torrance.

- c. Bring the Long Beach pay up to the median as provided for in Article Two, Section I. C. 2. when it is determined that the pay of the Long Beach employees, within a classification, is below the median pay of the comparables.

A joint job evaluation/compensation committee will be established to oversee the Study and develop a plan to apply the negotiated increases for classification specific salary adjustments to all classifications determined to be below the median and work to bring as many classifications as possible to the median pay of the comparable organizations within the negotiated parameters over the life of the agreement. The Classification and Compensation Study Letter of Understanding included in Appendix D provides further detail on conducting and implementing the Classification and Compensation Study.

The City and Union agree to a reopener on October 1, 2012 to evaluate the status of median pay for all classifications determined to be below the median as part of the Classification and Compensation Study.

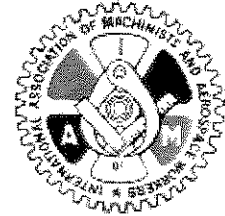
2. Classification and Compensation Study Equity Adjustments

10/01/2010 – Value of 2% of salaries and skill pays for IAM bargaining unit members included in the adopted FY 10 budget, prior to the 2% general salary increase provided 10/01/2010 in section I.B.1. In the event that the 2% is not allocated by 09/30/2011, 1% will be carried forward to FY 12 classification/compensation study adjustments and a 1% general increase, retroactive to 10/01/2010, will be implemented.

10/01/2011 – Value of 2% of salaries and skill pays for IAM bargaining unit members included in the adopted FY 11 budget, prior to the 2% general salary increase provided 10/01/2011 in section I.B.1., or value of 3% if 1% was carried forward from FY 11. In the event that disbursements have not commenced by 07/01/2012, then an expedited arbitration will be implemented, with authority limited to the values agreed upon for the classification/compensation study adjustments for the life of the agreement, which is further defined in the Classification and Compensation Study Letter of Understanding included in Appendix D.

10/01/2012 – Value of 2% of salaries and skill pays for IAM bargaining unit members included in the adopted FY 12 budget, prior to the 2% general salary increase provided 10/01/2012 in section I.B.1.

3. The provisions of Article Two, Section I.C shall not be subject to Article Seven, Grievance Procedures, of the MOU.



LETTER OF UNDERSTANDING BETWEEN
THE CITY OF LONG BEACH
AND

THE LONG BEACH CITY EMPLOYEES LOCAL LODGE 1930, DISTRICT LODGE 947,
INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS

CLASSIFICATION AND COMPENSATION STUDY

- **The parties have entered into an agreement to conduct and implement a classification and compensation study as a component of the compensation adjustments for IAM members over the life of the current Memorandum of Understanding. This study has three goals:**
 - Review the current IAM classification specifications/descriptions and pay structure and propose revisions that provide fair and rational internal and external relationships
 - Identifying the median pay of those same classifications within a specified list of comparable organizations
 - When it is determined that the pay of the Long Beach Employees, within a classification, is below the median pay of the comparables, to bring the Long Beach pay up to the median over time and within the negotiated parameters (see pages 10-11 in 2007-2012 IAM MOU)
- **Agreed to methodology for conducting the class and comp study will include:**
 - Formation of a joint job evaluation/ compensation committee made up of an equal number of persons appointed by the City and by IAM. The City must approve the IAM's appointments and the IAM must approve the City's appointments and any replacements during the life of the agreement. There will be no substitutes for committee members and all committee members must have completed the Resolve training.
 - The first decision of the committee is to select a neutral facilitator with expertise in classification and compensation systems
 - The Facilitator will chair the committee and act as the neutral/decision maker when the committee is not able to arrive at a decision. Decision making of the committee will be by majority vote. It is clearly understood that the decisions of the committee may not increase the overall financial obligation the City has made in these negotiations.
 - The committee will jointly select a Professional Compensation Consultant who will conduct the Classification and Compensation study and assist the committee in evaluating current City classifications and gather comparable compensation data.
 - Appropriate classifications will be determined and classification specifications/descriptions will be approved by the committee.
 - Gather comparable actual pay, including skill pays, for each of the Long Beach classifications from the following organizations, "the comparables".

The comparables will include Anaheim, Glendale, Huntington Beach, Los Angeles City, Los Angeles County, Orange County, Pasadena, Santa Ana, Santa Monica and Torrance. Where applicable, due to insufficient comparables, an alternative comparable market may be defined for classifications with industry specific responsibilities including, but not limited to, gas and water utilities, public health, airport, marina, harbor and other areas unique to Long Beach

- Establish a list which rank orders the pays of the comparables for each classification
- Determine the mathematical median of the pays of the comparables for each classification
- Compare the Long Beach pay of the classification, including contractually negotiated general salary increases, to the mathematical median (determined above)
- Develop a plan to apply the money negotiated for the purpose of achieving median to the job classifications identified above as being below median. Note: it is the intent of the parties that the money be allocated so that all job classifications identified as being below median receive some money on some equitable basis as determined by the committee
- Apply money to employees' salaries according to the plan.
- Develop a methodology to update compensation data gathered as part of the study in order to remain current with the market over the life of the agreement and evaluate pay for all Long Beach classifications

• **Expedited mediation/arbitration:**

- This study and its implementation is so important to the parties that they have agreed to expedited arbitration if the above steps are not completed and implemented by July 1, 2012.
- The issue before the arbitrator will be "did the parties implement the above methodology in a timely manner?" and "if not what is the appropriate resolution?"
- The arbitrator will be chosen from a list of mediators/arbitrators provided by the American Arbitration Association using an alternative strike method.
- The arbitrator will first attempt to mediate the dispute between the parties.
- If the attempt at mediation is not successful the arbitrator will use the information they have gathered in the mediation process to formulate an answer and a resolution to the issue within 10 working days of the last date of mediation.
- It is clearly understood that the arbitrator may not increase the overall financial obligation the City has made in these negotiations.
- The decision of the arbitrator will be final and binding on the parties.

Approved:

Suzanne R. Mason Date
Chief Negotiator
Director of Human Resources
City of Long Beach

Ray Rivera Date
Chief Negotiator
Grand Lodge Representative
Western Territory
International Association of
Machinists and Aerospace Workers


Cynthia Marlene Arrona

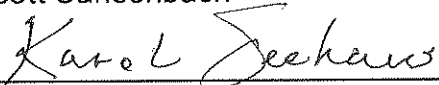
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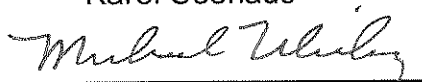
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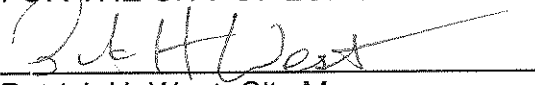
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FOR THE CITY OF LONG BEACH:

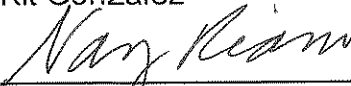

Patrick H. West, City Manager



Tara Brewer, Personnel Analyst III

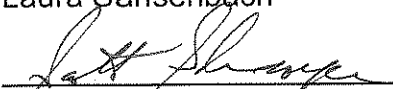

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APPROVED AS TO FORM:


Robert E. Shannon, City Attorney